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LISTING STATEMENT No. 1993

LISTED MAY 27th, 1958
420,755 voting trust shares relating to 420,755
common shares of \$10 par value each
Ticker abbreviation ALC VT
Post section 11.

TORONTO STOCK EXCHANGE

LISTING STATEMENT

JUN 16 1958

THE ALGOMA CENTRAL AND
HUDSON BAY RAILWAY COMPANY

Incorporated by Act of Parliament of the Dominion of Canada 62-63 Victoria, Chapter 50 (1899)
and amending Acts.

420,755 VOTING TRUST SHARES RELATING TO THE 420,755 \$10. PAR VALUE SHARES OF
COMMON STOCK.

CAPITALIZATION AS AT DECEMBER 31st, 1957.

FUNDED DEBT	Authorized	Outstanding	To be listed
5% First Mortgage Income Debenture Stock and Bonds due December 31, 1959 (Interest accrued and unpaid \$6,545,897.50).....	\$10,308,500	\$10,308,500	Nil
4¾% First Mortgage Sinking Fund Bonds of Algoma Steam-ships Limited (wholly owned subsidiary).....	\$ 2,625,000	\$ 445,000	Nil
Equipment Trust Certificates (guaranteed by the Company)			
Series "H"—4% payable in annual instalments of \$80,000 May 1, 1958 to 1966.....	\$ 1,200,000	\$ 720,000	Nil
Series "I"—4¼% payable in annual instalments of \$87,000 Nov. 15, 1958 to 1966.....	\$ 1,305,000	\$ 783,000	Nil
Series "J"—5¾% payable in annual instalments of \$100,000 Nov. 1, 1958 to 1972.....	\$ 1,500,000	\$ 1,500,000	Nil
SHARE CAPITAL			
5% non-cumulative non-voting preference shares of \$4 par value each.....	125,000	125,000	Nil
Common Shares each of \$10 par value (issued pursuant to and held under Voting Trust Agreement dated June 15, 1931).....	420,755 (1)	420,755	Nil
VOTING TRUST SHARES (1)			
Voting Trust shares relating to the shares of Common Stock as mentioned above.....		420,755	420,755

NOTE (1) All of the Common shares are held by, in the name of or under the control of The Royal Trust Company, the Trustee under Voting Trust Agreement made the 15th June, 1931, and each Voting Trust share represents one share of said Common Stock. The Voting Trust shares were issued to and are held by the holders thereof pursuant to and in accordance with the terms and conditions set forth in said Voting Trust Agreement and endorsed on the Voting Trust Certificates.

May 9, 1958.

1. APPLICATION

The Algoma Central and Hudson Bay Railway Company (herein referred to as "the Company") hereby makes application for listing on the Toronto Stock Exchange 420,755 Voting Trust Shares relating to the Common Stock of the Company issued pursuant to and in accordance with the terms and conditions set forth in the Voting Trust Agreement dated June 15, 1931, between Sir Alexander Forbes Proctor Roger et al, of the first part, The Royal Trust Company, as Trustee, of the second part, Algoma Consolidated Corporation Limited, of the third part, and The Algoma Central and Hudson Bay Railway Company, of the fourth part.

The Company was incorporated by Special Act of the Parliament of Canada (assented to 11 August 1899) Statutes of Canada, 1898-1899, Chapter 50, under the name of "Algoma Central Railway Company", and its name was changed to its present one by Special Act of said Parliament (assented to May 23, 1901), Statutes of Canada, 1901-2, Chapter 46.

Under the said Act of Incorporation (as amended from time to time) the Company is empowered to operate the main line of its railway from the town of Sault Ste. Marie to Hearst and its branch line from Hawk Junction to Michipicoten Harbour, all within the Province of Ontario. It is also empowered to operate its fleet of cargo vessels. In the said Act of Incorporation the undertaking of the Company was declared to be a work for the general advantage of Canada.

The Company operates its aforesaid railway line and its fleet of six cargo vessels on the Great Lakes.

INCORPORATION AND CAPITAL CHANGES

The Company was incorporated by Special Act of the Parliament of Canada (assented to 11 August 1899) Statutes of Canada, 1898-1899, Chapter 50, under the name of Algoma Central Railway Company with a capital stock of Three Million Dollars (\$3,000,000) with authority to issue bonds, debentures or other securities to the extent of Twenty Thousand Dollars (\$20,000) per mile of the railway and its branches, and such bonds, debentures or other securities could be issued only in proportion to the length of railway constructed or under contract to be constructed. By Chapter 38, 1901-2, Statutes of Canada, the aforesaid \$20,000 per mile of the railway was increased to \$30,000 per mile. By Chapter 34, 1911 Statutes of Canada, the Company was authorized to issue securities to the extent of \$30,000 per mile of its Michipicoten Branch.

The Company having defaulted under the terms of the mortgage and Deed of Trust dated July 1, 1910, securing its First Mortgage 5% 50 year Gold Bonds of which \$10,080,000 was then outstanding, a Scheme of Arrangement and compromise was entered into in 1916 by the Company and its bondholders and stockholders et al, which Scheme is hereinafter referred to as the 1916 Scheme of Arrangement. Before said Scheme of Arrangement was entered into the capital of the Company was as follows:

Funded Debt:

5 per cent First Mortgage 50-Year Gold Bonds (\$10,080,000).....	£ 2,074,060
(Part of a larger authorized issue secured by Trust Deed dated 1st July, 1910, in favour of United States Mortgage and Trust Company. Guaranteed as to principal and interest by The Lake Superior Corporation)	
6 per cent Second Mortgage 50-Year Gold Bonds.....	\$1,000,000
(All held by The Lake Superior Corporation as collateral security for a debt of \$318,744.13)	
Equipment Trust Bonds.....	\$ 519,000
(Payable by half-yearly instalments with interest over a period of 7 years)	

Share Capital:

5 per cent Non-Cumulative Preference Stock.....	\$5,000,000
(Held by the public)	
Common Stock.....	\$5,000,000
(Held by The Lake Superior Corporation)	

By the 1916 Scheme of Arrangement the following changes were made regarding the capital of the Company:

Each \$100 Preference share of the Company was reduced to \$40 by writing off 60% of the face value thereof thus reducing the total amount paid up on the existing Preference Stock from \$5,000,000 to \$2,000,000. The Company's capital was increased by the creation of \$3,000,000 of new 5% non-cumulative Preference Stock divided into shares of \$40 each ranking pari-passu with existing Preference Stock as so reduced. This resulted in 125,000 5% non-cumulative Preference Shares each \$40 par value (\$5,000,000).

Lake Superior Corporation surrendered to the holders of Preference Shares in the Railway Company the whole of the voting rights in respect of such shares which were then vested in Lake Superior Corporation and accepted in full satisfaction of the debt of \$318,744 and all accrued interest thereon and secured by the deposit of \$1,000,000 Second Mortgage 50-Year Gold Bonds of the Railway Company, Second Mortgage Bonds of the same issue to the nominal amount of \$318,800 and delivered for cancellation the remainder of the deposited bonds. This resulted in there being outstanding only 6% Second Mortgage 50-Year Gold Bonds of \$318,800.

Lake Superior Corporation vested in the Bondholders Committee or their nominees as Trustees all of the Common Stock of the Railway Company then held by said Corporation (other than any shares necessary to qualify Directors and to preserve the corporate existence of the Railway Company) upon terms that said Committee should exercise all voting and other rights and privileges so long as said Committee should remain in existence, but said Trustee or Trustees to hold, subject thereto, said Common Stock upon trust for the Lake Superior Corporation. The Common Stock thus remained unchanged.

By the 1916 Scheme of Arrangement the capital of the Company was as follows:

Loan Capital:

5 per cent. First Mortgage 50/year Gold Bonds.....	\$10,080,000
(hereinafter called "the existing Railway Bonds")	
Guaranteed as to principal and interest by The Lake Superior Corporation.	
6 per cent. Second Mortgage 50/Year Gold Bonds.....	\$ 318,800
(All held by The Lake Superior Corporation)	
There are also outstanding \$288,000 of Equipment Notes which have been guaranteed by the Railway Company as to principal and interest.	

Issued Share Capital:

5 per cent. Non-Cumulative Preference Stock (125,000 shares each of \$40. par value).	\$ 5,000,000
Held as to 60 per cent on trust by the Committee below referred to, and as to 40 per cent by other parties.	
Common Stock.....	\$ 5,000,000
(All owned by The Lake Superior Corporation but with the exception of Directors' qualification shares, held by the Committee below mentioned for voting purposes).	

As a result of a Scheme of Arrangement entered into in 1931 by the Railway Company, Algoma Central Terminals Limited, the holders of the first mortgage bonds of such Companies and the Lake Superior Corporation and confirmed by Special Act of the Parliament of Canada, (assented to June 11, 1931) Statutes of Canada 21-22, George V, Chapter 62, the Loan and Share Capital of the Company was changed so as to consist of:

Funded Debt:

5% First Mortgage Income Debenture Stock and Bonds maturing December 31, 1959	\$10,308,500
(as shown above the interest accrued and unpaid as of December 31, 1957 is \$6,545,897.50)	
6% Second Mortgage 50-Year Gold Bonds (issued under 1916 Scheme of Arrangement).....	\$ 318,800

Share Capital:

125,000 shares of 5% non-cumulative non-voting Preference shares each of the par value of \$4... ..	\$ 500,000
420,755 shares of Common Stock of the par value of \$10. each (held under Voting Trust Agreement).....	\$ 4,207,550

Except the said \$318,800 of 6% Second Mortgage Bonds retired in 1938, there has since been no change in the Funded Debt or share capital of the Company but under the terms of the 1941 Arrangement entered into by the Railway Company, Algoma Central Terminals Limited and their respective bondholders et al, payment of interest on the Railway Company's 5% First Mortgage Income Debenture Stock and Bonds while continuing to accrue was made payable as and when determined by the Joint Committee created under said Arrangement but in any event on the maturity of the bonds, namely December 31, 1959.

Algoma Steamships Limited is a wholly owned subsidiary of the Railway Company and was incorporated in 1951 for the purpose of financing by issuance of 4¾% First Mortgage Sinking Fund Bonds aggregating \$2,625,000 the construction of the S.S. "E. B. BARBER" which it chartered to the Railway Company under a Charter-party agreement which obligates the Railway Company to pay a charter hire for said vessel of \$550,000 per annum plus insurance, repairs, maintenance and operating charges. The sinking fund requirements in the Trust Deed securing said Bonds are such that approximately \$430,000 of said Bonds have been redeemed each year out of said sinking fund.

The Equipment Trust Certificates, Series H, I and J referred under Capitalization on page 1, were issued in connection with the financing of rolling stock purchased by Superior Rolling Stock Company Limited and leased to the Railway Company under Equipment Trusts and Leases. These Equipment Trust Certificates are payable in annual instalments as shown on page 1, and are guaranteed by the Railway Company.

4. NO PERSONAL LIABILITY — OPINION OF COUNSEL

The opinion of G. S. Saunderson, Q.C., General Counsel of the Company, as to the legality of the incorporation and organization of the Company, the issue of its shares and the fact that the shares are fully paid and non-assessable is filed herewith. Mr. Saunderson is a director of the Company and of its subsidiary Companies.

5. SHARES ISSUED DURING PAST TEN YEARS

Nil.

6. STOCK PROVISIONS AND VOTING POWERS

Preferred shares — The preferred shares have no voting rights.

Common shares — All of the common shares are held under a Voting Trust Agreement dated June 15, 1931, between Sir Alexander Forbes Proctor Roger et al (therein referred to as "the Committee") of the first part, The Royal Trust Company (therein referred to as the Trustee) of the second part, and Algoma Consolidated Corporation Limited (therein referred to as "the Holding Company") of the third part and The Algoma Central and Hudson Bay Railway Company (therein referred to as "the Railway Company") of the fourth part. The agreement divides the shares into which the Trust is divided into 420,755 Trust Shares being the same in number as the number of shares of Common Stock of the Railway Company issued and outstanding, each one of said Trust Shares originally representing one share of common stock. The Voting Trust Agreement as amended by the Supplemental Voting Trust Agreement dated December 9, 1941, provides that the voting rights in the Common Stock of the Railway Company shall be exercised by the Joint Committee, created by the 1941 Arrangement, in accordance with the provisions of the Voting Trust Agreement, amended as aforesaid.

7. DIVIDEND RECORD

	Dividends Paid
Preferred Shares.....	Nil
Common Shares.....	Nil

8. RECORD OF PROPERTIES

The Company owns its main office building and station on Bay Street, its stores and shops and terminal yards and facilities, all in the City of Sault Ste. Marie, Ontario, its right of way and station grounds on its main line from Sault Ste. Marie to Hearst, Ontario, on its branch line from Hawk Junction to Michipicoten Harbour and the buildings and other structures thereon. The Company also owns certain land grant lands or the mineral rights therein in various townships adjacent to or in close proximity to the Company's line of railway.

9. SUBSIDIARY COMPANIES

Algoma Steamships Limited, a company incorporated under the laws of Canada by Letters Patent dated August 28, 1951, and having its head office in the City of Sault Ste. Marie, Ontario, is a wholly owned subsidiary of the Company. Its business is that of owner of the vessel "E. B. BARBER" which it has chartered to the Railway Company under a charter-party agreement. Its authorized capital consists of 5,000 common shares of the par value of \$100. each, of which seven shares have been issued and are outstanding and are all owned by the Railway Company.

The Superior Rolling Stock Company Limited, a company incorporated under the laws of the Province of Ontario by Letters Patent dated May 13, 1911, is a wholly owned subsidiary of the Railway Company. Its business is the purchase and leasing to the Railway Company, of rolling stock equipment. Its authorized capital is 10,000 common shares each of \$100. par value, of which seven shares have been issued and are outstanding and all are owned by the Railway Company.

10. FUNDED DEBT (as of December 31, 1957)

	Authorized	Outstanding
5% First Mortgage Income Debenture Stock and Bonds due December 31, 1959 (Interest accrued and unpaid as of Dec. 31, 1957—\$6,545,897.50)..	\$10,308,500	\$10,308,500
4¾% First Mortgage Sinking Fund Bonds of Algoma Steamships Limited (wholly owned subsidiary).....	\$ 2,625,000	\$ 445,000
Equipment Trust Certificates (guaranteed by the Company)		
Series "H" — 4% payable in annual instalments of \$80,000 May 1, 1958 to 1966.....	\$ 1,200,000	\$ 720,000
Series "I" — 4¼% payable in annual instalments of \$87,000 Nov. 15, 1958 to 1966.....	\$ 1,305,000	\$ 783,000
Series "J" — 5¾% payable in annual instalments of \$100,000 Nov. 1, 1958 to 1972.....	\$ 1,500,000	\$ 1,500,000

11. OPTIONS, UNDERWRITING, ETC.

There are no outstanding options, underwriting or sale agreements or other contracts or agreements of like nature with respect to any unissued shares or any issued shares held for the benefit of the Company.

12. LISTING ON OTHER STOCK EXCHANGES

The following securities of the Company are listed on the London (England) Stock Exchange:

1. The aforesaid Voting Trust shares.
2. The aforesaid 5% First Mortgage Income Debenture Stock and Bonds.

13. STATUS UNDER SECURITIES ACTS

There has been no filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding Governmental body or authority.

14. FISCAL YEAR

The Company's fiscal year ends on the 31st day of December in each year.

15. ANNUAL MEETING

The Company's by-laws provide that "Annual meetings of shareholders shall be held at the head office of the Company at the City of Sault Ste. Marie, Ontario, on such day not later than the first day of April in each year as the Directors shall appoint".

The last annual meeting of shareholders was held at the head office of the Company in Sault Ste. Marie on March 31st, 1958.

16. HEAD AND OTHER OFFICES

The Company's head office is located in Sault Ste. Marie, Ontario, and an executive office is located at 8 King Street East, in Toronto, Ontario.

17. TRANSFER AGENTS

Voting Trust Shares relating to Common Stock — The Royal Trust Company, Toronto, Montreal and London, England.

Preference Shares — National Trust Company Limited, Toronto.

18. TRANSFER FEE

Voting Trust shares relating to Common Stock — No fee is charged on stock transfers other than the customary Government Stock Transfer taxes.

Preference shares — No fee is charged on stock transfers other than the customary Government Stock Transfer taxes.

19. REGISTRAR

Preference Shares — National Trust Company Limited, Toronto.

Voting Trust Shares relating to Common Stock — The Royal Trust Company, Toronto, Montreal and London, England.

20.

AUDITORS

The Auditors of the Company are Messrs. Deloitte, Plender, Haskins & Sells, Chartered Accountants, 55 Yonge Street, Toronto.

21.

OFFICERS

Edgar Barron Barber	President	Summit Ave., Sault Ste. Marie, Ontario
Leslie Charles Waugh	General Manager	144 Leo Ave., Sault Ste. Marie, Ontario
George Stinson Saunderson	General Counsel and Secretary	R.R. No. 1, Maple, Ontario
George Albert Armstrong	Assistant Secretary	36 Sussex Ave., Toronto, Ontario
Robert Young	Comptroller	142 Bishopcourt, Sault Ste. Marie, Ontario
William Henry Evans	Treasurer	112 Bishopcourt, Sault Ste. Marie, Ontario

22.

DIRECTORS

Edgar Barron Barber	Summit Ave., Sault Ste. Marie, Ontario
Walter Medd Hugill	125 Simpson Ave., Sault Ste. Marie, Ontario
Julius Pearson Mader	1174 Queen St. East, Sault Ste. Marie, Ontario
George Stinson Saunderson	R.R. No. 1, Maple, Ontario
Kenneth Wilson Dalglish	2162 Sherbrooke St. West, Montreal, Quebec
Henry Rutherford Jackman	35 Rosedale Rd., Toronto, Ontario
Leslie Charles Waugh	144 Leo Ave., Sault Ste. Marie, Ontario

CERTIFICATE

PURSUANT to a Resolution duly passed by its Board of Directors The Algoma Central and Hudson Bay Railway Company hereby applies for listing of the above-mentioned Voting Trust shares relating to the Common Stock on the Toronto Stock Exchange and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

"E. B. BARBER", President.
"G. S. SAUNDERSON", Secretary

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of Voting Trust Shares relating to the Common Stock as of 12th March, 1958

Number		Shares
1,802	Holders of 1 - 100 share lots.....	51,676
225	" " 101 - 200 " "	28,602
76	" " 201 - 300 " "	17,262
22	" " 301 - 400 " "	7,542
39	" " 401 - 500 " "	17,486
46	" " 501 - 1000 " "	35,304
53	" " 1001 - up " "	262,883
2,263	Stockholders	Total shares..... 420,755

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1957

ASSETS

INVESTMENTS:			
Road and equipment (including lake steamships).....		\$37,962,861.25	
Land grant lands—at nominal value.....		1.00	
			\$37,962,862.25
CASH BALANCES WITH TRUSTEE:			
For Algoma Steamships Limited bonds.....	\$	21,389.77	
For payment of purchase of rolling stock, per contra.....		2,068,000.00	
			2,089,389.77
CURRENT ASSETS:			
Cash.....	\$	1,116,581.90	
Temporary cash investments including bonds of subsidiary company (market value \$1,542,787.50).....		1,550,234.40	
Traffic and car service balances.....		199,610.52	
Agents' and conductors' balances.....		377,081.30	
Miscellaneous accounts receivable.....		201,429.46	
			3,444,937.58
MATERIALS, FUELS AND SUPPLIES—AT COST.....			1,016,217.96
DEFERRED ASSETS:			
Accident insurance fund:			
Investment in bonds and accrued interest.....	\$139,494.45		
Cash and other items.....	22,770.51		
Unemployment insurance deposit.....	\$	162,264.96	
		1,550.00	
Other deferred assets.....		31,090.75	
			194,905.71
UNADJUSTED DEBITS:			
Prepayments.....	\$	49,347.93	
Other unadjusted debits.....		190,219.89	
			239,567.82
TOTAL.....			\$44,947,881.09

LIABILITIES

CAPITAL STOCK:		LIABILITIES	
Authorized and issued:			
125,000 5% non-cumulative, non-voting preference shares of \$4.00 each (redeemable at par at the option of the company on three months' notice).....	\$ 500,000.00		
420,755 common shares of \$10.00 each.....	4,207,550.00		\$ 4,707,550.00
LONG TERM DEBT:			
5% first mortgage income debenture stock and/or bonds.....	\$10,308,500.00		
4¾% first mortgage sinking fund bonds of Algoma Steamships Limited maturing October 15, 1961.....	445,000.00		
Equipment trust certificates maturing 1959 to 1972.....	2,736,000.00		13,489,500.00
CURRENT LIABILITIES:			
Accounts payable			
—for purchase of rolling stock.....	\$ 2,068,000.00		
—other accounts payable and accrued liabilities.....	474,314.39		
Traffic and car service balances.....	53,936.80		
Other interest matured and unpaid.....	5,824.54		
Equipment trust certificates payable in 1958.....	267,000.00		
Income tax accrued.....	500,420.72		
Interest on 5% first mortgage income debenture stock and/or bonds, approved for payment by the Joint Committee:			
10% payable June 2, 1958.....	\$1,030,850.00		
5% payable December 1, 1958.....	515,425.00		
	1,546,275.00		4,915,771.45
DEFERRED LIABILITY:			
Interest on 5% first mortgage income debenture stock and/or bonds.....	\$ 6,545,897.50		
Less: Amount approved for payment in 1958.....	1,546,275.00		4,999,622.50
RESERVES AND UNADJUSTED CREDITS:			
Accident insurance fund reserve.....	\$ 162,264.96		
Maintenance reserve.....	116,000.00		
Accrued depreciation (see Note 2).....	11,080,794.78		
Tax equalization reserve (see Note 1).....	170,835.54		
Other unadjusted credits.....	192,534.72		11,722,430.00
SURPLUS (restricted as to dividends by the terms of the 1941 arrangement)—per Statement.....			5,113,007.14
TOTAL.....			\$44,947,881.09

Approved on behalf of the Board:

"E. B. BARBER", Director.

"G. S. SAUNDERSON", Director.

AUDITORS' REPORT

To the Shareholders of

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY:

We have examined the consolidated balance sheet of The Algoma Central and Hudson Bay Railway Company and its subsidiary companies as at December 31, 1957 and the related consolidated profit and loss account and consolidated statement of surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and related consolidated profit and loss account and consolidated statement of surplus are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the companies as at December 31, 1957 and the results of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

"DELOITTE, PLENDER, HASKINS & SELLS"

February 21, 1958.

Auditors.

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1957

GROSS RECEIPTS		\$12,208,218.87
LESS:		
Working expenses (including depreciation of \$1,573,293.84—see Note 2)....	\$8,251,082.15	
Administrative and general expenses.....	289,720.53	
Current pension and retirement cost.....	102,575.00	
Interest on equipment trust certificates.....	83,958.49	
Interest on 4¾% first mortgage sinking fund bonds of Algoma Steamships Limited.....	37,307.28	
Taxes and rentals.....	103,718.32	
		8,868,361.77
NET OPERATING INCOME.....		\$3,339,857.10
ADD:		
Interest on investments and deposits.....	\$ 72,171.31	
Net income—land grant lands.....	18,801.79	
Gain on foreign exchange.....	32,553.71	
		123,526.81
NET INCOME FOR THE YEAR.....		\$3,463,383.91
LESS:		
Interest on 5% first mortgage income debenture stock and/or bonds.....		515,425.00
NET PROFIT FOR THE YEAR BEFORE PROVIDING FOR INCOME TAXES.....		\$2,947,958.91
LESS:		
Estimated income taxes (see Note 1).....		\$1,452,183.33
NET PROFIT FOR THE YEAR.....		\$1,495,775.58

NOTES:

1. Capital cost allowance to be claimed for income tax purposes exceeds depreciation charged in the accounts. As a result, the amount of 1957 income tax estimated to be payable is less than the amount provided in the accounts by \$170,835.54. This amount has been credited to Tax Equalization Reserve as a deferred tax liability.
2. In conformity with the uniform classification of accounts of The Board of Transport Commissioners for Canada, depreciation accounting has been adopted for track elements in 1957. This procedure replaces the former practice of charging renewals and replacements of track to operating expenses—road maintenance, in the year of expenditure.

**THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY AND
SUBSIDIARY COMPANIES**

**CONSOLIDATED STATEMENT OF SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1957**

BALANCE, DECEMBER 31, 1956.....		\$3,426,318.46
ADD:		
Net profit for the year—per Statement.....	\$1,495,775.58	
Proceeds from land grant lands.....	73,037.55	
Profits from sales of properties and temporary cash investments.....	259,880.03	
Donations and grants.....	26,055.86	
	<u>\$1,854,749.02</u>	
Less: Provision for income taxes, under appeal.....	168,060.34	
		<u>1,686,688.68</u>
BALANCE, DECEMBER 31, 1957.....		<u><u>\$5,113,007.14</u></u>

**THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY AND
SUBSIDIARY COMPANIES**

**SUMMARY OF CONSOLIDATED STATEMENTS OF SURPLUS OR (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31**

	1957	1956	1955	1954	1953
BALANCE—BEING SURPLUS OR (DEFICIT) AT BEGINNING OF YEAR.....	<u>\$3,426,318</u>	<u>\$1,707,873</u>	<u>\$ 262,619</u>	<u>\$(141,125)</u>	<u>\$(961,619)</u>
ADD:					
Net profit for the year.....	\$1,495,776	\$1,619,838	\$1,246,280	\$ 476,797	\$ 822,475
Proceeds from land grant lands (see Note 2).....	73,038	98,607	3,249	—	—
Profits from sales of properties.....	227,276	—	—	—	—
Profits from sales of temporary cash investments (see Note 3).....	32,604	—	—	—	—
Donations and grants.....	26,055	—	—	—	—
Amount transferred from accident insurance fund reserve.....	—	—	195,725	—	—
	<u>\$1,854,749</u>	<u>\$1,718,445</u>	<u>\$1,445,254</u>	<u>\$ 476,797</u>	<u>\$ 822,475</u>
	<u>\$5,281,067</u>	<u>\$3,426,318</u>	<u>\$1,707,873</u>	<u>\$ 335,672</u>	<u>\$(139,144)</u>
LESS:					
Provision for income taxes (under appeal)	168,060	—	—	—	—
Income tax adjustments affecting prior years.....	—	—	—	73,053	1,981
BALANCE—BEING SURPLUS OR (DEFICIT) AT END OF YEAR.....	<u><u>\$5,113,007</u></u>	<u><u>\$3,426,318</u></u>	<u><u>\$1,707,873</u></u>	<u><u>\$ 262,619</u></u>	<u><u>\$(141,125)</u></u>

To the Directors of

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY
AND SUBSIDIARY COMPANIES:

We have examined the foregoing summaries of consolidated profit and loss accounts and consolidated statements of surplus or (deficit) for the five years ended December 31, 1957 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the foregoing summaries of consolidated profit and loss accounts and consolidated statements of surplus or (deficit), with the notes thereto, are properly drawn up so as to exhibit a true and correct view of the combined results of operations for the five years ended December 31, 1957, according to the best of our information and the explanations given to us and as shown by the books of the companies.

“DELOITTE, PLENDER, HASKINS & SELLS”

Toronto, Ontario,
May 16, 1958.

Chartered Accountants,
Auditors.

**THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY AND
SUBSIDIARY COMPANIES**

**SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31**

	1957	1956	1955	1954	1953
GROSS RECEIPTS.....	\$12,208,219	\$11,886,539	\$9,984,801	\$8,551,534	\$10,804,254
LESS:					
Working expenses (including depreciation).....	\$ 8,251,082	\$ 7,771,378	\$6,574,117	\$6,641,713	\$8,028,330
Administrative and general expenses.....	289,721	252,703	222,860	240,756	225,176
Current pension and retirement cost.....	102,575	102,957	98,653	97,081	89,897
Interest on Equipment Trust Certificates	83,959	81,058	93,779	106,500	119,221
Interest on 4¾% First Mortgage Sinking Fund Bonds of Algoma Steamships Limited.....	37,307	58,353	80,767	102,955	120,497
Taxes and rentals.....	103,718	92,905	84,613	85,278	71,633
	<u>\$ 8,868,362</u>	<u>\$ 8,359,354</u>	<u>\$7,154,789</u>	<u>\$7,274,283</u>	<u>\$8,654,754</u>
NET OPERATING INCOME.....	<u>\$ 3,339,857</u>	<u>\$3,527,185</u>	<u>\$2,830,012</u>	<u>\$1,277,251</u>	<u>\$2,149,500</u>
ADD:					
Interest on investments and deposits	\$ 72,171	\$ 61,034	\$ 41,750	\$ 36,273	\$ 50,771
Net income—land grant lands.....	18,802	7,790	13,649	15,073	15,271
Gain on foreign exchange.....	32,554	71,303	45,012	24,589	27,396
	<u>\$ 123,527</u>	<u>\$ 140,127</u>	<u>\$ 100,411</u>	<u>\$ 75,935</u>	<u>\$ 93,438</u>
NET INCOME FOR THE YEAR.....	<u>\$ 3,463,384</u>	<u>\$ 3,667,312</u>	<u>\$2,930,423</u>	<u>\$1,353,186</u>	<u>\$2,242,938</u>
LESS:					
Interest on 5% First Mortgage Income Debenture Stock and/or Bonds.....	\$ 515,425	\$ 515,425	\$ 515,425	\$ 515,425	\$ 515,425
NET PROFIT FOR THE YEAR BEFORE PROVIDING FOR INCOME TAXES.....	<u>\$ 2,947,959</u>	<u>\$ 3,151,887</u>	<u>\$2,414,998</u>	<u>\$ 837,761</u>	<u>\$1,727,513</u>
LESS:					
Estimated income taxes.....	\$ 1,452,183	\$ 1,532,049	\$1,168,718	\$ 360,964	\$ 905,038
NET PROFIT FOR THE YEAR.....	<u>\$ 1,495,776</u>	<u>\$ 1,619,838</u>	<u>\$1,246,280</u>	<u>\$ 476,797</u>	<u>\$ 822,475</u>
DEPRECIATION INCLUDED IN WORKING EXPENSES (see Note 1)	<u>\$ 1,573,294</u>	<u>\$ 1,173,262</u>	<u>\$1,232,660</u>	<u>\$1,018,032</u>	<u>\$1,229,310</u>

**THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY AND
SUBSIDIARY COMPANIES**

Notes to Summaries of Consolidated Profit and Loss Accounts and Consolidated Statements of Surplus or (Deficit) for the Five Years Ended December 31, 1957

- In conformity with the Uniform Classification of Accounts of the Board of Transport Commissioners for Canada, depreciation accounting was adopted for track elements in 1957. This procedure replaced the former practice of charging renewals and replacements of track to operating expenses—road maintenance, in the year of expenditure.
- Proceeds from land grant lands and disposition thereof for the five year period were as follows:

Year	Proceeds	Disposition	
		Credited to Surplus	Credited to Asset Account
1957.....	\$73,038	\$73,038	\$ —
1956.....	98,607	98,607	—
1955.....	51,151	3,249	47,902
1954.....	58,339	—	58,339
1953.....	45,558	—	45,558

- Accumulated profits (net) from sales of temporary cash investments amounted to \$50,000.00 at January 1, 1953. Losses (net) of \$17,396.47 over the five year period ended December 31, 1957 reduced these accumulated profits to \$32,603.53, and this amount was credited to surplus at December 31, 1957.

